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OF COUNSEL
WILLIAM G. CONLY

October 2, 2007

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Davis Sand, Reservoir B; "C" Sand of the Cotton Valley Formation, Reservoir A; and Cotton Valley Zone, Reservoir A; RUSTON FIELD, Lincoln Parish, Louisiana.

Dear Sir:

NELSON ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Davis Sand, Reservoir B; the "C" Sand of the Cotton Valley Formation, Reservoir A; and the Cotton Valley Zone, Reservoir A; all in the Ruston Field, Lincoln Parish, Louisiana:

Davis Sand, Reservoir B, and
"C" Sand of the Cotton Valley Formation, Reservoir A

1. To dissolve the unit shown on an attached plat and designated DAVIS RB SUA created for the Davis Sand, Reservoir B, by Office of Conservation Order No. 164-J-3, effective May 23, 1979.
2. To dissolve the unit shown on an attached plat and designated C RA SUJ, created for the "C" Sand of the Cotton Valley Formation, Reservoir A, by Office of Conservation Order No. 164-N-2, effective June 1, 1977.

The Davis Sand, Reservoir B, in the Ruston Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 164-J-3, effective May 23, 1979.

The "C" Sand of the Cotton Valley Formation, Reservoir A, in the Ruston Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 164-N, effective January 24, 1962.

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Cotton Valley Zone, Reservoir A

1. To create three (3) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A, such units being shown on an attached plat and being designated CV RA SUB through CV RA SUD.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate an operator of, and unit well for, the proposed additional units as may be appropriate.
4. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 164-HH, effective April 24, 2007, and of all applicable Statewide Orders, to the proposed additional units.
5. To consider such other matters as may be pertinent to any of these sands and formations.

The Cotton Valley Zone, Reservoir A, in the Ruston Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 164-HH, effective April 24, 2007.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated September 21, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set October 11, 2007, as the tentative date for the pre-application conference. No request for the conference was received within ten (10) days after the date of said letter; therefore, no pre-application conference will be held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested

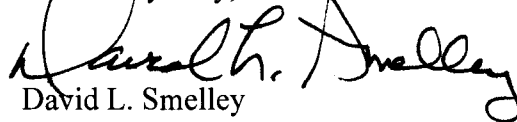
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Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats showing the units proposed to be dissolved and the units proposed to be created (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Ruston Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

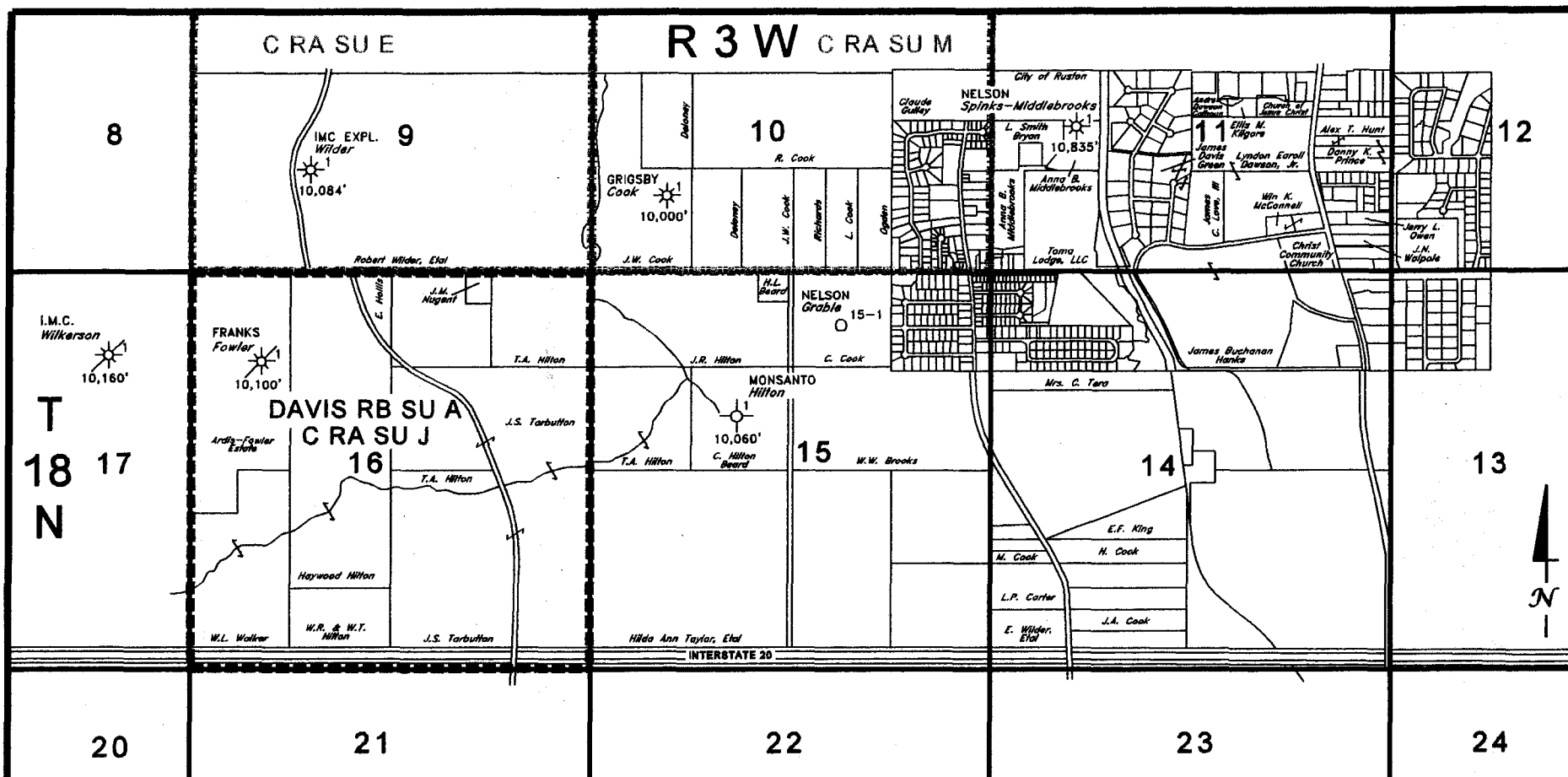
Yours very truly,


David L. Smelley

--- Attorney for Nelson Energy, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Danny Moreland (w/encls.)
Mr. Joe B. Adams (w/encls.)
Ms. Susan Digilormo (w/encls.)
Mr. Carroll Jones (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)



■■■■■■ - UNITS TO BE DISSOLVED
 DAVIS RB SU A, A.P.O. 164-J-3, EFFECTIVE: 5/23/79
 CRA SU J, A.P.O. 164-N-2, EFFECTIVE: 6/1/77

■■■■■■ - EXISTING C UNITS

NOTE: ALL BOUNDARIES ARE GEOGRAPHIC.

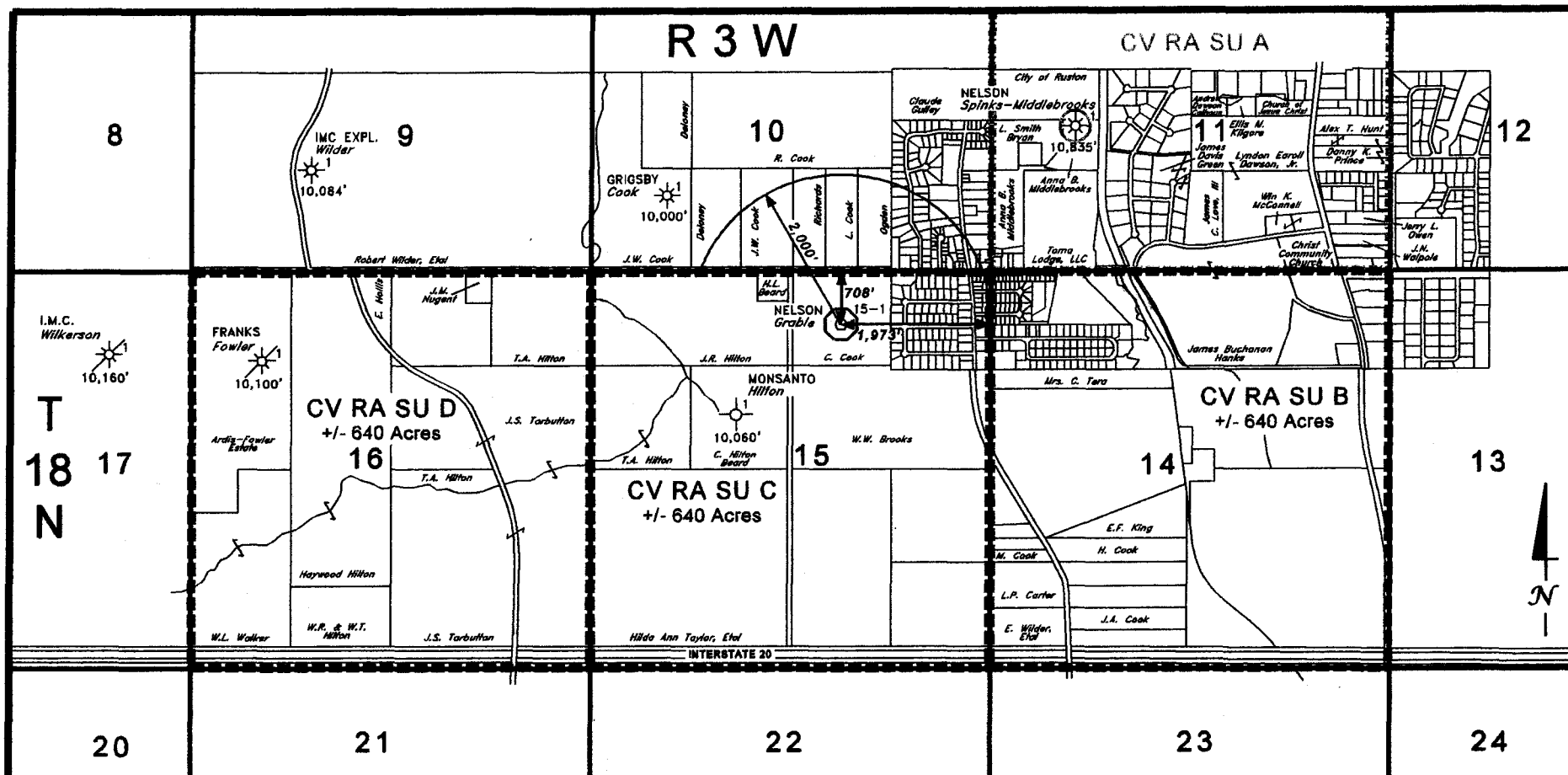
NELSON ENERGY, INC.

RUSTON FIELD
 LINCOLN PARISH, LOUISIANA

Units To Be Dissolved
CRA SU J
DAVIS RB SU A

0' 2000' 4000' 6000'

Geology: JOE B. ADAMS



- - PROPOSED UNIT WELL
- - UNIT WELL

- - PROPOSED UNITS
- ===== - EXISTING CV UNIT

NOTE: ALL BOUNDARIES ARE GEOGRAPHIC.

NOTE: 2,000' RADIUS MEASURED
INTO ADJACENT UNITS.

EXHIBIT No.

DOCKET No. 07-

NELSON ENERGY, INC.

RUSTON FIELD
LINCOLN PARISH, LOUISIANA

Proposed Units
Cotton Valley Zone

Date:



Geology: JOE B. ADAMS